PARTICIPATION OF WOMEN ENTREPRENEURS IN MSME SECTOR: A STUDY IN NORTH KARNATAKA

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Research Guide
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1. Introduction:

Women entrepreneurship plays a vital role in the inclusive economic development of a nation. It not only empowers women socially and economically but also contributes significantly to employment generation, innovation, and poverty reduction. In India, women entrepreneurs have been gradually emerging across various sectors, breaking social and economic barriers. However, their overall participation remains relatively low compared to men, especially in the formal business ecosystem.

The Micro, Small and Medium Enterprises (MSME) sector forms the backbone of the Indian economy. It contributes approximately 30% to the national GDP, 45% to the country's manufacturing output, and nearly 48% of exports (Ministry of MSME, GoI, 2023). MSMEs are also a significant source of employment, second only to agriculture, employing over 110 million people. The sector has vast potential to promote entrepreneurship among women by offering low entry barriers, decentralized production models, and scope for innovation and skill-based industries.

In India, there are about 8.59 million women-owned MSMEs, accounting for around 20% of the total enterprises, according to the MSME Ministry's 2022 report. These businesses are predominantly micro in size and often operate in traditional sectors such as textiles, food processing, handicrafts, and services. Despite various government initiatives—like the Pradhan Mantri MUDRA Yojana (PMMY), Stand Up India, and TREAD (Trade Related Entrepreneurship Assistance and Development)—women entrepreneurs continue to face challenges such as limited access to credit, lack of business training, gender biases, and poor awareness of support schemes.

Karnataka is among the more industrially progressive states in India and has been a front-runner in MSME promotion. As per the Karnataka Udyog Mitra and Directorate of Industries and Commerce, the state has over 10 lakh MSMEs, contributing significantly to the state's economy and employment. The government of Karnataka has undertaken initiatives such as the Elevate Women Program, Startup Karnataka, and sector-specific policy frameworks to encourage women entrepreneurship. Despite this, a notable regional disparity exists within the state. While Bengaluru and other southern districts have seen robust growth in women-led enterprises, North Karnataka, comprising districts such as Dharwad, Belagavi, Kalaburagi, and Bidar, still lags behind.

The region of North Karnataka is characterized by a mix of rural and semi-urban populations, limited infrastructure, and traditional socio-cultural norms, which often restrict women's economic participation. Women entrepreneurs here face compounded challenges including limited mobility, lesser access to financial institutions, minimal digital literacy, and weaker institutional support systems. However, this region also presents untapped potential for MSME development, especially in agro-processing, rural handicrafts, textiles, and service-based industries.

Given this backdrop, there is a pressing need to study the extent, challenges, and enabling factors related to women's participation in the MSME sector in North Karnataka. Such a Focused study will help illuminate region-specific issues and propose practical, data-driven interventions to foster inclusive growth and women empowerment through entrepreneurship.

History of Women Entrepreneurs in India

Pre-Independence Period (Before 1947)

Women in India traditionally played supportive roles in agriculture, handloom weaving, and household industries. However, these roles were mostly informal and unrecognized as entrepreneurship. In some parts of the country, especially among artisan communities, women contributed to family-run businesses like pottery, food processing, or textile weaving.

Women entrepreneurship was highly constrained by socio-cultural norms, restricted mobility and lack of education. There were rare expectations, such as women from royal families or elite backgrounds who engaged in managing estates or patronizing craft.

During Post indenependence Stage Following independence in 1947, India focused on planned economic development and industrialization. However, women remained largely absent from formal entrepreneurial activities. Women were mainly engaged in self-employment or cottage industries in rural areas (e.g., tailoring, pickle making, handicrafts). Lack of access to education, capital, and legal rights continued to suppress women's visibility as entrepreneurs. Government policies during this period did not specifically target women entrepreneurs.

1980s to 1990s: The Awakening Phase

The 1980s marked a shift in policy and mindset toward empowering women through income-generating activities.Government initiatives such as SEWA (Self-Employed Women's Association) and DWCRA (Development of Women and Children in Rural Areas) were launched to enhance women's skills and economic participation. Public sector banks and cooperative institutions began offering small loans to women for home-based businesses. The 1987 National Policy on Education emphasized vocational training for girls, laying the groundwork for future entrepreneurship.

Post-Liberalization Era (1991 onwards): Expansion and Recognition

India’s economic liberalization in the 1990s created new opportunities for private enterprise, including for women. The entry of multinationals, rise of the services sector, and growth of consumer markets encouraged women to venture into areas like retail, IT-enabled services, education, and wellness. Women entrepreneur associations such as FICCI-FLO, CWEI (Confederation of Women Entrepreneurs of India), and TIE Women began promoting networking and capacity building. However, challenges of gender discrimination, poor access to formal credit, and balancing work-family roles persisted.

In the 21st century, Indian women have made significant strides in entrepreneurship. Government schemes like Stand-Up India**,** Pradhan Mantri MUDRA Yojana, and Startup India have targeted women entrepreneurs. Digital platforms (e-commerce, fintech, edtech) have allowed women to start and scale businesses from home, overcoming mobility and infrastructure constraints. Women-led startups in sectors such as fashion, technology, social enterprise, and agribusiness are becoming more visible. Nevertheless, women still represent only around 20% of all MSMEs in India, and the majority of women-owned enterprises remain in the micro or informal sectors.

Key Milestones & Notable Entrepreneurs

- **Kalpana Saroj** (Kamani Tubes) – one of India’s earliest successful Dalit women entrepreneurs.
- **Kiran Mazumdar-Shaw** (Biocon) – India's biotech pioneer and globally recognized entrepreneur.
- **Falguni Nayar** (Nykaa) – built one of India’s most successful e-commerce startups founded by a woman.
- **Chetna Gala Sinha** (Mann Deshi Bank) – empowered rural women through financial inclusion and micro-entrepreneurship.

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2. REVIEW OF LITERATURE

Pijush Kanti Chowdhury and Begum Nurun Nahar (2005):

The examination going on "Ladies Entrepreneurs of Rural Industries in Some Selected Areas" endeavored towards 1. Recognize the determinants accountable for the development of rustic ladies as business visionaries, 2. Evaluate the financial effect of business enterprise on their lives and upkeep and 3. Assess the troubles limited by the ladies business visionaries in

their calling. The essayists noticed that the uneducated and less instructed ladies supported bamboo and casework and different occupations like fitting, articles of clothing creating, and weaving. 79 percent of the example changed over business visionaries because of elements that constrained them to discover some foundation of salary for their upkeep. It was essential information as regards work moreover starting family or else on or after neighbors

Makararavy, Anurit, Pacapol, Walsh, and John, (2009):

This paper perceived the obstacles and potential outcomes looked by the ladies in an enormous setting society like in Cambodia. An examination by the analysts announced that ladies' business people confronted recognizing challenges in the first place some portion of Small and Medium Enterprises development regarding social deterrents, selling troubles, nonappearance of government support, and fiscal challenges.

jitendraahirrao and sadavarte (2010):

The paper reveals that twin employment of women is the critical restriction of women specialists followed by exploitation women male dominance, lack of fiscal chance, nonattendance of family support, difficulties of customary Association, nonappearance of enunciation, no risk-bearing capacity, and nonattendance of sureness and anxiety of social protection. beyond hard and fast respondents, the most driving number of managers didn't have any recognition with record or advance getting from the banks. They kept down to go to the banks for the request on the development of their associations.

Williams and Gurtoo (2011)

In their exact examination Assessing Women Business people in the Informal Sector Some Evidence from India bolsters that not all Innovative endeavors in the casual division in the minimized populace are not, at this point occupied with bad quality work directed under helpless conditions for a low payout of need without elective methods for occupation". By leading eye to eye meetings of around 323 ladies business people working in the casual division of India, it was found that despite the fact that the structuralize portrayal is generally suitable for ladies associated with wage structure in the casual segment, it is invalid for ladies business visionaries in this area taking a shot at the independently employed premise in light of the fact that in their belongings the salary is similarly higher than those filling in as a compensation labourer, they get more credit from casual foundations, appreciates higher organization enrolment and consequently, such work becomes a lot of normal decision over need-based or being a decision as a final retreat.

Research Gap:

Most studies focus on broad Karnataka or southern parts; few recent empirical investigations are centered specifically on North Karnataka. Limited mixed method primary research capturing

both quantitative scale and qualitative context in this region. Trend changes post-2018 (policy revisions, digital adoption, new schemes) are not reflected in earlier literature

3. Significance of the study

This study aims at asserting the role of entrepreneurship in women's Empowerment. Several concerns are neglected in respect of women entrepreneurs and women empowerment. A lot of studies focus on male entrepreneurs and very few focus on women entrepreneurs. This study is precisely focused on women empowerment and women entrepreneurship (MSME) in Karnataka and highlights the neglected sector of women's Endeavour. The women entrepreneurs' perceptions will be taken into account with the help of primary data and secondary data

4. Statement of Problem

Despite national and state iniiatives, participation of women entrepreneurs in the MSME sector in North Karnataka remains low relative to potential. The specific factors limiting their growth—financial access, marketing infrastructure, digital literacy, and socio-cultural norms—are not well understood in the current context.

Scope of the Study

Geographically: Selected districts of North Karnataka (covering backward & semi-urban/rural areas). Sectorally: Micro and small enterprises (non-farm, services, agro processing, crafts, etc.) owned and managed by women. Temporally: Reflecting current policy environment, roughly covering post-2020 developments.

5. Objectives of the study:

1. To examine the socio-economic profile of women entrepreneurs operating in the MSME sector in North Karnataka.
2. To identify the key motivations and factors influencing women’s participation in MSMEs.
3. To analyze the challenges and barriers faced by women entrepreneurs in starting and managing MSMEs.
4. To evaluate the employment opportunities generated by women-led MSMEs in North Karnataka.
5. To assess the role of government schemes, financial support, and institutional assistance in promoting women entrepreneurship.

6. Hypothesis:

Ho: Women entrepreneurs significantly participated in the MSME sector.

H1: Women entrepreneurs not significantly participated in the the MSME sector.

7. Research Methodology

- **Rationale for Selecting the Topic**

The choice of this research topic is driven by the pressing need to understand the role and challenges of women entrepreneurs within the Micro, Small and Medium Enterprises (MSME) sector, particularly in North Karnataka, a region often overlooked in mainstream economic research. Although the Indian government has implemented various schemes to promote women entrepreneurship, the participation of women in MSMEs remains disproportionately low—especially in semi-urban and rural areas.

This study seeks to bridge the gap in empirical data and insights specific to North Karnataka, where socio-economic, infrastructural, and cultural challenges create a unique landscape for women-led enterprises. By focusing on this region, the research aims to inform targeted policy formulation and create evidence-based pathways for inclusive economic growth.

- **Selection of Study Area**

North Karnataka comprises several economically underdeveloped districts, including Belagavi, Dharwad, Vijayapura (Bijapur), Kalaburagi, Bagalkot, Haveri, Bidar, and Gadag**.** Researcher choosen Kalaburgi districts for study area due to

Kalaburagi, located in North Karnataka, is one of the most backward districts as identified by the Nanjundappa Committee. Despite this, it has a growing base of MSMEs and serves as a divisional administrative center. Women's participation in entrepreneurship here remains low, making it an ideal region to study the challenges, opportunities, and impact of government schemes on women entrepreneurs. The district's diverse MSME sectors and untapped research potential offer valuable insights for inclusive regional development. Kalaburagi is located in North-Eastern Karnataka, bordered by Bidar, Yadgir, and Raichur districts, and lies close to Maharashtra and Telangana, giving it strategic importance for inter-state trade. Its location also enables a broader understanding of socio-cultural factors affecting women entrepreneurship in a multi-lingual and multi-ethnic setting.

- **Sampling Design**

Sampling Method:

A stratified random sampling technique will be employed to ensure representation across:

- Districts in North Karnataka;
- Different sectors (manufacturing, services, agri-processing, etc.);
- Urban, semi-urban, and rural settings;
- Size and scale of enterprise (micro, small).

Sample Size:

The proposed sample size is 300-350 women entrepreneurs, determined based on stratical power and feasibility. Minimum 40-50 respondents will be selected from each taluka to allow comparative anyalysis

Sampling Criteria:

- Registered women-owned enterprises active for at least 1 year;
- Located in the selected Taluka's
- Operating within MSME-defined thresholds (as per Ministry of MSME criteria).

Research Design

The study adopts an explanatory, cross-sectional, and mixed-method research design**:**

- **Quantitative component**: Structured survey questionnaires to collect data on demographics, enterprise characteristics, and access to finance, marketing strategies, challenges, and policy awareness.
- **Qualitative component**: In-depth interviews and focus group discussions to explore socio-cultural barriers, motivations, and personal narratives.

This mixed-method approach provides both breadth and depth, allowing for statistical generalizations and contextual understanding.

Sources of Data

Primary Data

- Collected through structured questionnaires**,** semi-structured interviews**, and** focus group discussions with women entrepreneurs.
- Tools will be pre-tested through a pilot study to ensure reliability and clarity.

Secondary Data

- Reports from the Ministry of MSME, Government of Karnataka;
- NABARD and SIDBI publications;
- Data from District Industries Centres (DICs);
- Academic journals, previous research studies, and policy documents;
- NGO and SHG reports in North Karnataka.

Methods of Data Collection

- **Survey Administration**: Face-to-face where feasible, otherwise via phone or digital platforms (e.g., Google Forms, WhatsApp for Business) depending on digital access of respondents.
- **Interview Guides**: Semi-structured interview schedules designed to capture in-depth views on enterprise development, support systems, and lived experiences.
- **Key Informant Interviews**: With local officials, NGO representatives, SHG leaders, and microfinance institutions.

Data Analysis:

Quantitative Analysis:

Data will be entered and cleaned using **MS Excel** and analyzed using **SPSS** or **Stata**. Techniques include:

1. Descriptive statistics (mean, median, mode, percentages);
2. Cross-tabulations to identify relationships between variables***;***
3. Regression analysis to test hypotheses (e.g., effect of digital access on performance)
4. Chi-square tests where applicable.

Qualitative Analysis:

Emergent themes such as gender bias, institutional support, or entrepreneurial motivation will be synthesized into narrative insights to complement quantitative findings.

8. The Organization of Study (Chapter Scheme):

The present study has been presented in the following 6 chapters.

Chapter I: Research Design

The chapter will reveal. Introduction of study, Statement of the problem, significance of the study, and objectives of the study. Hypothesis of the study, Research Methodology, Chapter scheme, and Limitations of the study.

Chapter II: Review of Literature

This chapter will explain various reviews of the concerned to the titles of the study and research gap.

Chapter III: an Analysis of women entrepreneurs in the MSME Sector

This chapter will be divided into three parts, the first part will explain an analysis of women entrepreneurs in India, second part will explain the present status of women entrepreneurs in MSME in Karnataka, and the third part will explain about analysis of women entrepreneurs in MSME sector to a specific place.

Chapter IV: This chapter will be a contented brief profile of the study area which is Kalburgi district.

Chapter V: Data Analysis and Interpretation

This chapter will reveal the analysis and interpretation of data collected from the field survey for this study.

Chapter VI: Major Findings, Suggestions, and Conclusion

9. LIMITATIONS OF THE STUDY:

The following will be the Limitations of the study:

1. The present study covers only the Kalburgi district.

2. The present study covers women entrepreneurs in the MSME sector.

10. References:

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